

Rippleffect Studio Limited

Registration number 3871086

Annual Report and Financial Statements

52 weeks ended 29 December 2013

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Rippleffect Studio Limited
(Registration number 3871086)

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Officers and registered office

Directors

Vijay Vaghela

Paul Vickers

T M Directors Limited

Company Secretary

T M Secretaries Limited

Registered Office

One Canada Square

Canary Wharf

London

E14 5AP

Rippleffect Studio Limited

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Directors' report

The directors present their annual report and financial statements for the 52 weeks ended 29 December 2013.

Results and dividends

The results for the period are set out on page 6. The retained profit for the period of £42,836 (2012: £56,505) has been transferred to reserves. The directors do not recommend the payment of a dividend for the period (2012: £nil).

Financial position and future prospects

The financial position of the company is set out on page 7. The directors are satisfied as to the future prospects of the company.

The net assets of the company have increased by £42,836 (2012: £56,505) due to the retained profit for the period.

Directors

The present membership of the Board is set out on page 1. The directors who served during the period were:

Vijay Vaghela
Paul Vickers
T M Directors Limited

During the period, the company has maintained adequate cover for its directors and officers under a directors' and officers' liability insurance policy.

Employee related matters

Communication and participation of employees is achieved through formal and informal management and staff briefings and where relevant, formal union procedures. Where appropriate, communication is by individual personal letter or circular. The company policy is to give fair and equal consideration to the recruitment, employment and career development of disabled persons where suitable opportunities arise and to provide such training and other assistance as may be necessary and practicable. Employees who become disabled and are unable to continue in their existing jobs are given the opportunity to be retrained for suitable alternative employment.

Directors' responsibilities statement

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Directors' report (continued)

Disclosure of information to the auditors

The directors at the date of this report confirm that:

- as far as each of the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all steps he should have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved and signed on behalf of the Board of Directors



Vijay Vaghela

30 April 2014

Rippleffect Studio Limited
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Strategic report

Principal activity

The principal activity of the company is digital related activities and it is part of the Specialist Digital division of Trinity Mirror plc.

Business review

The company has reported a profit on ordinary activities before tax of £59,538 (2012: £81,528). Profit has decreased versus the prior period due to higher revenue more than offset by higher costs.

Principal risks and uncertainties

The key risk to the company is the competitive nature and low barriers to entry of the digital related activities. The directors look to mitigate this risk by the continuing focus on product development and building customer relationships.

Key performance indicators

The key performance indicators that the company uses are revenue, operating profit and operating margin. In a challenging market, as has been experienced during the period, the company seeks to maximise revenues while maintaining operating profit.

Going concern basis

In determining whether the company's financial statements can be prepared on a going concern basis the directors have considered the factors likely to affect the future development, performance and financial position of the company. In particular, the company has considered the implications of the challenging economic environment and the reliance on the Trinity Mirror plc group.

At the date of signing of these financial statements the directors have considered all the factors impacting the company's business, including downside sensitivities. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the company's financial statements.

Approved and signed on behalf of the Board of Directors



Vijay Vaghela

30 April 2014

Independent auditor's report to the members of Rippleffect Studio Limited **(Registration number 3871086)**

We have audited the financial statements of Rippleffect Studio Ltd for the period ended 29 December 2013 which comprise the profit and loss account, the reconciliation of movements in shareholders' funds, the balance sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 December 2013 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

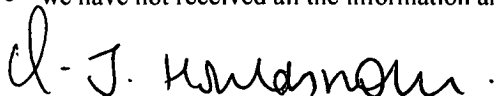
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Kate J Houldsworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

30w April 2014

Rippleffect Studio Limited
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Profit and loss account
for the 52 weeks ended 29 December 2013

		52 weeks ended 29 December 2013 £	52 weeks ended 30 December 2012 £
	Notes		
Turnover		6,353,666	5,586,128
Cost of sales		(4,506,034)	(3,536,388)
Gross profit		1,847,632	2,049,740
Administrative expenses		(1,788,094)	(1,968,212)
Profit on ordinary activities before taxation	3	59,538	81,528
Tax charge on profit on ordinary activities	4	(16,702)	(25,023)
Retained profit for the period	9	42,836	56,505

All turnover and results arose from continuing operations.

There are no recognised gains or losses other than the retained profit for the period. Accordingly a separate statement of total recognised gains and losses has not been presented.

Reconciliation of movements in shareholders' funds
for the 52 weeks ended 29 December 2013

	52 weeks ended 29 December 2013 £	52 weeks ended 30 December 2012 £
Retained profit for the period	42,836	56,505
Net increase in shareholders' funds	42,836	56,505
Opening shareholders' funds	1,070,417	1,013,912
Closing shareholders' funds	1,113,253	1,070,417

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Balance sheet
at 29 December 2013

	Notes	29 December 2013 £	30 December 2012 £
Fixed assets			
Tangible fixed assets	5	12,674	15,616
Current assets			
Debtors	6	1,804,726	1,623,900
Cash at bank and in hand		351,239	344,298
		2,155,965	1,968,198
Creditors: amounts falling due within one year	7	(1,055,386)	(913,397)
Net current assets		1,100,579	1,054,801
Net assets		1,113,253	1,070,417
Equity capital and reserves			
Called up share capital	8	50,325	50,325
Share premium account		49,470	49,470
Capital redemption reserve	9	265	265
Capital contribution reserve	9	44,915	44,915
Profit and loss account	9	968,278	925,442
Shareholders' funds		1,113,253	1,070,417

These financial statements were approved by the Board of Directors on

30

April 2014.

Signed on behalf of the Board of Directors



Vijay Vaghela

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Notes to the financial statements for the 52 weeks ended 29 December 2013

1. Accounting policies

The accounting policies have all been applied consistently throughout the period and the preceding period. The financial statements are prepared in accordance with applicable law and United Kingdom Accounting Standards. The particular accounting policies adopted are described below.

Basis of preparation

The financial statements have been prepared on a going concern basis as set out on page 4.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Turnover

Turnover, which excludes value added tax, arises wholly from the company's principal activity carried out within the United Kingdom. Turnover is measured at the fair value of sales net of applicable discounts. Revenue is recognised at the time of the sale or the provision of the service. Deferred income can also arise where payment is received in advance of the performance of service. The portion of such income relating to periods after the balance sheet date has been deferred.

Taxation

Current tax comprising UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or subsequently enacted by the balance sheet date.

Deferred taxation is provided in full at the anticipated tax rates on timing differences arising from the different treatment of items for accounting and taxation purposes. A deferred tax asset is regarded as recoverable and therefore recognised only when it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. The company has elected not to discount the deferred tax assets and liabilities.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and machinery	20% on reducing balance basis
Fixtures, fittings and office equipment	20% on reducing balance basis

Pension scheme arrangements

The company contributed to the Trinity Mirror Pension Plan, a defined contribution scheme during the current and prior period. The scheme has been set up under a trust that holds the financial assets separately from those of the group and is controlled by trustees. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Cash flow statement

The company is a wholly owned subsidiary, and the cash flows of the company are included in the consolidated cash flow statement of its ultimate parent company which is publicly available. Consequently the company is exempt under the terms of Financial Reporting Standard 1, "Cash Flow Statements", from publishing a separate cash flow statement.

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Notes to the financial statements for the 52 weeks ended 29 December 2013

2. Information regarding directors and employees

Staff costs were as follows:

	52 weeks ended 29 December 2013 £	52 weeks ended 30 December 2012 £
Wages and salaries	2,464,786	2,187,908
Social security costs	264,887	249,494
Pension costs	62,751	14,655
	<u>2,792,424</u>	<u>2,452,057</u>

The average weekly number of employees during the period is set out below:

	No.	No.
Production	57	50
Sales and distribution	12	12
Administration	6	5
	<u>75</u>	<u>67</u>

Directors' emoluments

The directors received no remuneration in respect of services to the company (2012: £nil).

Pensions

Contributions to the Trinity Mirror Pension plan, for the period were £62,751 (2012: £14,655). At the period end there were no outstanding or prepaid contributions (2012: £nil).

3. Profit on ordinary activities before taxation

	52 weeks ended 29 December 2013 £	52 weeks ended 30 December 2012 £
Profit on ordinary activities before taxation is after charging:		
Depreciation of owned assets	2,942	5,145
Operating leases for motor vehicles	53,790	65,100

The auditor's remuneration of £3,000 (2012: £3,000) for the audit of the statutory accounts of this company has been borne and not recharged by another group company.

Rippleeffect Studio Limited
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Notes to the financial statements for the 52 weeks ended 29 December 2013

4. Tax charge on profit on ordinary activities

	52 weeks ended 29 December 2013 £	52 weeks ended 30 December 2012 £
Profit on ordinary activities before taxation	59,538	81,528
Current tax:		
Corporation tax charge for the period	16,986	27,080
Prior period adjustment	(140)	(1,090)
Deferred tax:		
Deferred tax credit in the period	(559)	(1,144)
Deferred tax rate change	415	177
Tax charge in the period	16,702	25,023

The standard rate of corporation tax reduced from 24% to 23% on 1 April 2013. The blended rate for the accounting year is 23.25% being a mix of 24% up to 31 March 2013 and 23% from 1 April 2013 (2012: 24.5% being a mix of 26% up to 31 March 2012 and 24% from 1 April 2012).

The opening deferred tax position is recalculated in the period in which a change in the standard rate of corporation tax is substantively enacted by parliament.

The change in rate from 23% to 20% (2012: from 25% to 23%) has been accounted for in the period resulting in a charge to the profit and loss account of £415 (2012: £177).

Reconciliation of current tax charge

The actual rate of current tax for the period is more than 23.25% (2012: was more than 24.5%) for the reasons set out in the following reconciliation:

	52 weeks ended 29 December 2013 %	52 weeks ended 30 December 2012 %
UK effective rate of corporation tax	23.3	24.5
Expenses not deducted for tax purposes	4.2	7.2
Timing differences in respect of fixed assets	1.0	1.4
Prior period adjustment	(0.2)	(1.3)
Actual rate of current tax for the period	28.3	31.8

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Notes to the financial statements for the 52 weeks ended 29 December 2013

5. Tangible fixed assets

	Plant, machinery, fixtures and fittings £
Cost	
At beginning and end of the period	187,624
Accumulated depreciation	
At beginning of the period	172,008
Charge for the period	2,942
At end of the period	174,950
Net book value	
At end of the period	12,674
At beginning of the period	15,616

6. Debtors

	29 December 2013 £	30 December 2012 £
Trade debtors	1,336,187	1,493,480
Amounts owed by fellow subsidiary	380,781	115,105
Prepayments and accrued income	84,429	12,130
Deferred tax asset	3,329	3,185
	<u>1,804,726</u>	<u>1,623,900</u>

The movement in the deferred tax asset in the financial statements is as follows:

	29 December 2013 £	30 December 2012 £
At beginning of the period	3,185	2,218
Deferred tax credit in the period	559	1,144
Deferred tax rate change	(415)	(177)
At end of the period	<u>3,329</u>	<u>3,185</u>

The amounts provided in the accounts are as follows:

	29 December 2013 £	30 December 2012 £
Timing differences in respect of fixed assets	<u>3,329</u>	<u>3,185</u>

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Notes to the financial statements for the 52 weeks ended 29 December 2013

7. Creditors: amounts falling due within one year

	29 December 2013 £	30 December 2012 £
Trade creditors	534,447	261,529
Taxation and social security	276,956	282,913
Accruals and deferred income	235,490	355,414
Corporation tax payable	8,493	13,541
	<u>1,055,386</u>	<u>913,397</u>

8. Called up share capital

	29 December 2013 £	30 December 2012 £
Called up, allotted and fully paid		
50,325 (2012: 50,325) ordinary shares of £1 each	<u>50,325</u>	<u>50,325</u>

9. Reserves

	Share premium £	Capital redemption reserve £	Capital contribution reserve £	Profit and loss account £	Total £
At beginning of the period	49,470	265	44,915	925,442	1,020,092
Retained profit for the period	-	-	-	42,836	42,836
At end of the period	<u>49,470</u>	<u>265</u>	<u>44,915</u>	<u>968,278</u>	<u>1,062,928</u>

10. Operating lease commitments

The company has annual commitments under operating leases as follows:

	Motor Vehicles 29 December 2013 £	30 December 2012 £
Operating leases which expire:		
Within one year	3,341	7,789
Between two and five years	<u>50,449</u>	<u>57,311</u>
	<u>53,790</u>	<u>65,100</u>

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Notes to the financial statements for the 52 weeks ended 29 December 2013

11. Ultimate parent company and immediate parent undertaking

In the opinion of the directors, the company's ultimate parent company and controlling entity at 29 December 2013 was Trinity Mirror plc, a company incorporated and registered in England and Wales. Trinity Mirror plc is the parent undertaking of the largest and smallest group which includes the company and for which group financial statements are prepared. Copies of the group financial statements are available from its registered office at One Canada Square, Canary Wharf, London E14 5AP.

The company's immediate parent undertaking is Trinity Mirror Digital Limited, a company registered in England and Wales.

12. Related party transactions

The company is a wholly owned subsidiary within the group, and utilises the exemption contained in Financial Reporting Standard 8, "Related Party Disclosures", not to disclose any transactions with entities that are part of the group. The address at which the group consolidated financial statements are publicly available is shown in note 11.